## IN THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF OKLAHOMA

KEITH FUQUA, an individual; STACY FUQUA, an individual,	) Case No. 5:07-CV-00827-HE
on behalf of themselves and all others similarly situated,	CLASS ACTION
Plaintiffs,	Case assigned to the Honorable Joe Heaton
vs.	Action Filed on June 29, 2007 Action Removed on July 25, 2007
	)
LINDSEY MANAGEMENT CO., INC., and DOES 1 through 10, inclusive,	
Defendants.	) )

#### AFFIDAVIT OF TERRY WEST

I, Terry West, Esq., of lawful age, being first duly sworn, do depose and state as follows:

- 1. Attached hereto as Exhibit A, is a true and correct copy of the lease agreement entered into by Plaintiffs Keith and Stacy Fuqua to lease an apartment at a complex known as the Greens at Moore.
- 2. Attached hereto as Exhibit B, is a true and correct copy of Defendant Lindsey Management Company's Responses to Plaintiffs' Second Set of Interrogatories.
- 3. Attached hereto as Exhibit C, is a true and correct copy of the Management Agreement entered into between Lindsey Management Company and the Greens at Moore, which was produced by Lindsey Management Company in discovery.

	d hereto as Exhibit D,			
D. Scou Rogerson, Pr Lindsev Management	resident of Corporate C Company, dated July	perations and Chief.	Financial Office	cer for
	company, autou sury	25, 2007.		
I declar Executed this <u>ろし</u> da	e under penalty of perjoy of March, 2008, in	ury that the foregoing	g is true and co	
Further affiant saye	th not.			
		Terry West, Esq.	Med	

# EXHIBIT A

AH	Wi Jeff Crandall (100) CCT 1070
Aft	(XU8) 66 1-1959 D. M
	APARTMENT LEASE CONTRACT (OKLAHOMA)
Jes .	Date 1,140E
86.	PARTIES. This lease is between Stary and Keith Fugue
	and The trees at Moure
	Uklanding for use as a power of the control of the
	otherwise stated. The term "Owner" will include Owner's authorized representatives.
	OCCUPANTS. The apartment will be occupied by Resident and: that all others are
	No other occupants are permitted, other than occasional guests. A guest will be
	month unless Resident has received prior written approval from Owner's representative; or (c) the guest has been convicted of property.
	CCCCC CANAL COMPANIES COMP
	OCCUPANCY STANDARDS. Occupancy is limited to no more than two persons per bedroom. Children under age two at the time all three are related to each other by blood or marriage. Occupancy by more than three adults may occupy an apartment only if CWNER'S PICHT TO MOREWARD AND ADMINISTRA
	OWNER'S RIGHT TO MODIFY APARTMENT. Owner reserves the right during the lease term and any extension or renewal Fair Housing Act and Americans With Discharge and common areas as may be necessary to common or renewal
	The comply with requirements of the
Jedu-	NO SUBLETTING. Subletting, assignment, replacements, or change of Residents or occupants will be allowed only upon Owner's pric Residents.
4-0	-written consent. In such event, Resident remains fully liable herounder but shall receive credit for all rentals paid by succeeding.  Residents.
A 2.	LEASE TERM. The initial term of the lease shall commence on the 4th day of Dayanbar 2005
S5.	MOVE-OUT NOTICE AND TOWN
	representative that move-out notice has been received. Resident's written move-out notice must entire the move-out notice has been received. Resident's written move-out notice must terminate the lease on the tast day of term or renewal or extension perfod. Resident will be liable under paragraph 19 for liquidated damages, and for unpaid ren to rate for under mount in which Resident occurrent, for property damages caused by the Resident and for cleaning and painting charges.
於	In no event may Resident's written move-out notice terminate the lesse sooner than the end of the lease term or renewal or extension period.
	HOLD-OVER AND AUTOMATIC RENEWAL. Resident agrees to give Owner thirty (30) days' written notice prior to the termination of the initial lease term stating that Resident does not desire to renew this lease. In the event that a timely notice is not given by Resident within the period prescribed or, after having given notice, Resident shall remain or continue to be in possession of the lease premises or any part thereof after the end of the lease term or any extension thereof, Owner may at its option; (a) theat such holding over as a renewal by Resident of all provisions of the lease except as to term and rental, which term shall be for a period equivalent to the immediately proceeding lease term and which rental shall be at the then provailing rental charges of Owner for substantially he same of this lease shall be and remain in full force and effect; or (b) refuse to renew the lease, in which event Owner shall give Resident three damages resulting from Resident's failure to deliver possession on the date of termination, in addition to any other rights according to damages (including lost rentals, lodging expenses, and attorney's fees). Holdover rents shall be immediately due on a daily basis and delirquent without notice or demand.
4	SECURITY DEPOSIT. Resident agrees that the security deposit(s) will be the total sum of \$ 250 cc. payable on or before signing of this lease. Refunds shall be made in accordance with this lease. Resident is prohibited by statute from applying security deposit(s) to rent. The full monthly rent shall be paid on or before the due date of each month, including the last month of
6.	RENT. Resident will pay \$ 0000 rental for the lease term, payable in the following manner, (a) prorated rent from in advance and without demand at the appartment manager's office with the first monthly installments of \$ 0.0000.
	and additional installments of the same amount due on the first (1st) day of particularly paragraph 19. If all rent is not paid on or before the third (3rd) day of the month thereafter until paid in full. Rent unpaid after the due date is delinquent and will authorize all remedies in this lease, pay a late charge of \$20.00. Resident additional do not before the third (3rd) day of the month (the late charge date). Resident agrees to more difficult for Owner to meet its financial obligations when rents are not paid on time. Resident agrees that the sessessed as liquidated damages for late payment. Resident agrees to pay a \$20.00 charge for each roturned check, plus daily lake contained in paragraph 16 of this lease shall be \$50.00 for the first day and \$10 for each additional day. Resident's right to possession on the condition that rent is paid on time. Payment for rent, and use of the premises by Resident's right to possession on the condition that rent is paid on time. Payment for rent, and use of the premises by Resident's right to possession on the condition that rent is paid on time. Payment for rent, regardless of non-rent obligations of Resident, then to rent, regardless of non-rent obligations of Resident, then to rent, regardless of notations on checks. All Owner's option, Owner may at any then multiple checks. CASH with 100 for the payment of the check, cashier's check, money order, or non monthe the the rent method others with the paragraph.

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FORM 102.04: 12.30.04

SPECIAL PROVISIONS. The following special provisions and any addendum shall control over any conflicting provisions of this printer

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UTILITIES AND SERVICES. Resident will be responsible for scheduling the hookup and paying of deposits to the electric, water, gas, apartment. If such service is discontinued for any reason, Owner may reinstate such service to Resident is discontinued for any reason, Owner may reinstate such service to Resident. Residents hereby agree to place waste and garbage inside a plastic bag before placing it in the dumpster located on the property. If permitted by law, Owner shall have the right at any time and from time to time to contract for sanitation, telephone or cable television service. Owner shall in no way be liable or responsible for any loss, water, server, Resident may sustain by reason of any change, failure, interference, disruption or defect in the supply or character of such utility. age Q

RULES AND REGULATIONS. Resident, Resident's guests, and occupants shall comply with all written rules and regulations, which shall be considered part of this lease. Owner may make reasonable rule changes. Resident agrees that the conduct of Resident and Part of the Conduct of Resident agrees that the conduct of Resident agrees the Resident agrees that the conduct of Resident agrees that the conduct of Resident agrees that the conduct of Resident agrees the Resident agrees that the Resident agrees the Resident agrees the Resident agrees that the Resident agrees the Res RULES AND REGULATIONS. Resident, Resident's guests, and occupants shall be considered part of this lease. Owner may make reasonable rule changes. Resident agrees that the conduct of Resident and Resident's guests and occupants shall not be disorderly, biosterous, or unlewful, and shall not disturb the rights, comforts, or Resident's guests or accupants. Sidewalks, steps, entrance halls, walkways, and stairs shall not be obstructed or used for any clean and sanitary. Resident shall dispose of garbage at lasst weekly, only in appropriate receptacles. Any swimming pools, person using them. Cware may regulate the manner, time and other improvements are to be used wholly at the risk of the apartment or apartment community. The following: motorcycles, broycles, tricycles, skarbozors, recreational vehicles, boats, been disturbing the peace, disturbing other Residents, or violating this lease or apartment rules must be operable and have valid current license plates. Operable "maans the vehicle must have an improved the valid of the components intact, including windows and windshalds, and be reasonable for the other stream, and the reasonable plates of the original operable and have valid current license plates. Operable "maans the vehicle must have inflated tires, subject the vehicle to being towed at the expense of the vehicle owner or operator. Flashlights (and not candles or kerosene lamps) Upon payment of a reasonable charge, Resident may require Owner or charge (or re-key) a door lock. A Resident who moves out duplicated without, Owner's written consent. All written makes may be enforced through Cwenc's representatives or agents, and

G18. CONDITION OF THE PREMISES ON MOVING IN AND MOVING OUT. Resident accepts the spartners, fixtures, and any CONDITION OF THE PREMISES ON MOVING IN AND MOVING OUT. Resident accepts the apartment, fixtures, and any furnishings as is, except for conditions materially affecting health or safety of ordinary persons. Owner makes no implied warrantes, nove-in, Resident shall note any defects or damagas on the farm and return it to Owner's representative; otherwise, everything with be deemed to be in clean and good condition. Resident accepts the premises subject to and subordinate to any existing or future be deemed to be in clean and good condition. Resident accepts the premises subject to and subordinate to any existing or future apartment. Resident may not make any alterations or improvements to Owner's property without Owner's prior written consent. No hanging will be permitted in sheetrock walls and in grooves of wood-paneled walls. Alternative picture hanging methods (in lieu of cable TV outlots, or lock changes (including re-keying or additions of locks) will be permitted except by Owner's induces or furtilure from the apartment for any purpose. When Resident noves in, Owner shall replaced at Resident's expense. When moving out, Resident agrees to surrender the apartment in good, clean condition, as

CLASSIFICATIONS OF PROPERTY. (1) APARTMENT: Subject to the provisions of paragraph 17 herein, the interior of the abartment, and any other areas reserved for Resident's private use, shall be under the exclusive control of the Resident. (2) toorn, fitness center, pool, playground, turnis court, basking losts, driveways, and amenitles (including, but not limited to, club nonexclusive use and benefit of Owner and all residents. (3) RESTRICTED AREAS: Use and occupancy of of the attice, exterior walls mosts and lardess are instricted to Owner and any use or nonexclusive use and occupancy of of the attice, exterior walls, roofs, and jedges are restricted to Owner and any use or occupancy by Resident is prohibited.

HGT12. LIABILITY. Owner will not be liable to Resident or Resident's guests or occupants for any damages or losses to person or property LIABILITY. Owner will not be liable to Resident or Resident's guests or occupanta for any damages or losses to person or property caused by other persons. Including theft, burglary, asseutt, vanidatism, or other crimes. Owner will not be liable to Resident or each property (tenture), of the control of the control of the control of the crimes of the control of the control of the crimes of the control of the c

MOLD AND MILDEW. Resident agrees to regularly inspect the Apartment for water leaks, moisture, mold and mildew. Potential sources of water or moisture include roof leaks, humidifiers, plumbing leaks, steam from cooking, watering houseplants, baths and cellings and moisture in carpets may indicate roof leaks or dogged air conditioner drains. Resident agrees to invincing lift Resident detects leaks, mold or mildew within the apartment. Resident agrees to lean and remove mold and in areas not accerdance with cleaning instructions available at the apartment manager's office. If Resident discovers mold and mildew hose preas.

REQUESTS, REPAIRS AND MALFUNCTIONS. If you or any occupant need to send a nutice or request -- for example, for repairs, or fire, smoke, gas, explosion, overflowing sewage, uncontrollable running water, electrical shorts, crime in progress, or other equally

FORM 102,0W-12,30,64

dire emergency). Resident will notify Owner of emergencies immediately, by the fastest available means. Owner shall have the right to temporarily turn off equipment and interrupt utilities to avoid demage to property or to perform repairs or maintenance which as soon as possible on a business day. Owner shall act with reasonable difference in making repairs: and the lease shall continue and the rent shall not abate during such periods. If damage to the premises from fire or other catastrophe is substantial in the lease shall continue reasonable judgment of Owner, Owner may terminate this lease within a reasonable time by giving written notice to Resident. If the lease is so terminated, rest shall be promited and the balance refunded along with all deposits) less leavent decturitions. reasonable progress to Owner, Owner may remaine this reason within a reasonable time by giving written house to Rec lease is so terminated, rent shall be prorated and the balance refunded along with all deposit(s), less lawful deductions

REIMBURSEMENT. Resident shall promptly reimburse Owner for any loss, property damage, or cost of repairs or service caused in the apartment or community by negligence or improper use by Resident, or Resident's guests or occupants. Owner will not be liable for and Resident shall pay for the following if it occurs during the lease term or renewal or extension period: (a) damage to doors, windows, or screens unless due to negligence of Owner, and (b) repair costs and damage from plumbing stopages in lines exclusively serving Resident's apartment, and (c) damage from windows or doors left open. Owner's failure or delay in demanding damage reimbursement, late-payment charges, returned check charges, pet charges or other sums due by Resident shall not be remained awaiver, and Owner may require payment of same at any time, including deduction from security deposit. Owner may



NO PETS (ANIMALS). No pets (animals including mammals, rodents, reptiles, birds, fish, and insects) are allowed, even temporarily, anywhere in the apartment or apartment community unless Owner has so authorized in writing. No unauthorized pets, stray animals or wild animals may be fed from the apartment or any pert of the spartment community. These prohibitions apply to non-pet animals used in a trade or profession. An animal depositis considered agental security deposit. Owner will authorize a support animal for a disabled person, but may require a written statement from a qualified professional verifying the need for the permission, will subject Resident to the charges, damages, and eviction provisions of this lease.



WHEN OWNER MAY ENTER. If Resident or Resident's guest or occupant is present, then repairmen, servicemen, or Owner's representatives may enter the apartment during reasonable times for reasonable business purposes. If no one is in the apartment, then repairmen, servicemen, or Owner's representatives may enter at reasonable times by duplicate or master key (or by other repair or refurbishing costs; extermination, preventive maintenance; filter changes, inspections; retrieving unreturned tools or repair or refurbishing costs; extermination, preventive maintenance; filter changes, inspections; retrieving unreturned tools or isaving notices, removing or re-keying unauthorized locks or latches; removing waste of utilities; exercising contractual lion; owned or leased by previous Residents; showing apartment to prospective Residents (after move-out or vecate notice has been agents. During and in anticipation of sub-freezing temperatures, Owner or Owner's representatives may enter the apartment and damage. Owner will attempt to give Resident at least one day's notice of intent to enter the apartment except in cases of emergency unless it is impracticable to do so.



DEFAULT BY OWNER. Owner agrees to act with customary diligence to: (a) keep common areas reasonably clean, (b) maintain fixtures, furniture, hot water, healing and air conditioning equipment, (c) remain in substantial compliance with applicable federal, state and local laws regarding safety and sentation, and (d) make at reasonable repairs, subject to Resident's obligation to pay for Contract which materially affects health or safety, Resident may terminate this lease only when the following procedures are the notice shall specify a date not less than thiny (30) days after receipt of the notice if the breach is not remedied within fourteen the breach is not remedied within fourteen the breach within the time specified. Then the security deposit(s) and prorate rent will be refunded as required by law.



DEFAULT BY RESIDENT. If Resident falls to pay rent or other amounts owed by Resident under this lease; or if Resident or Resident's guests by occupants violate this lease or Owner's rules and regutations or applicable federal, state, and local laws, or incorrect answers in a rontal application; if Resident, in the fall faith, make an invalid habitability complaint to an official or employee of a utility company or the government; or if Resident abandons the apartment, then Owner's representative may (with or without shall be entitled to possession by eviction said for any other lawful means. Notice may be mailed or personally delivered to Resident shall be entitled to possession by eviction said for any other lawful means. Notice may be mailed or personally delivered to Resident initiality for future rentats under this lease. After Owner gives notice to vacate or after Owner files eviction suit, Owner may still other contractual or statutory right. Acceptance of monies at any film with not waive or diminish Owner's right of eviction or any future rent, or other sums due; and such notice, filing, or acceptance shall not waive or diminish Owner's right of eviction or any future rent, or other sums due. If Resident's rent is defined any film with not waive or diminish Owner's right of eviction or any future rent, or other sums due. If Resident's rent is defined any film with not waive or winter right of property damages, past or Resident, Owner may terminate utilities furnished any paid for by Owner. Givner may report unpaid rental or unpaid damages to focal credit agencies for recordation in Resident's credit record.

FALSE INFORMATION. Resident understands that the information provided to Owner in connection with qualification guidelines for Residents of this apartment community are refied upon by Owner in entering into the lease contract. Should the information provided prove to be false, Resident understands that same shall be considered as a material breach of the lease ontition exict Resident upon five (5) days' written notice.

ACCELERATION. All monthly rentals for the remainder of the lease term of renewal or extension period shall be accelerated automatically without notice or demand (either before or after acceleration) and shall be immediately due and delinquent if, without Cwner's written consent: (1) Resident moves out, removes property in contemplation of moving out, or gives verbal or written notice (in person or by occ-occupant) of intent to move out prior to the end of the lease term or renewal or extension period, and (2) rentals for the entire lease term and renewal or extension period have not been paid in full. Remelhing rents shall likewise be accelerated if Resident is evicted. Such hight of acceleration is in lieu of having rental for the entire lease term payable at the beginning of the



LIQUIDATED DAMAGES. Owner and Resident have contemplated and agree that Owner will suffer damages in the event Resident LIQUIDATED DAMAGES. Owner and Resident have contemplated and agree that Owner will suffer damages in the event Resident vacales the apartment without having paid rent for the entire lease term, and any extensions thereof, and that the amount of damages will be difficult to ascertain. Owner and Resident agree that, in such event, Owner shall be entitled to recover as liquidated damages an amount equal to one-half of the rent calculated from the first day of the month following the date on which Resident vacates the apartment through the end of the lease term; but in no event shall the amount of liquidated damages exceed an a mount agual to three months? periodic rent as provided in the lease contract. Owner and Resident agree that the amount of liquidated damages is in reasonable proportion to the damages the parties contemplate with incurred by Owner should Resident fail to perform this Apartment Lease Contract. The agreed liquidated damages are specifically intended to be reasonable compensation for unpaid rent for the remainder of the lease term, and any extensions thereof, and do not include damages for unpaid rent or late charges which accrue during any month in which Resident occupies the apartment, property damage caused by the Resident, cleaning charges, and paigting charges.

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20. ABANDONIZENTILIER: If Resident abandons or surrenders possession of the apartment and leaves household goods. furnishings, fixtures, or any other personal property in the apartment, Owner may take possession of such property and dispose of it as provided by 41 Okts. St. Ann Section 130. Resident agrees that Owner may consider Resident to have dispose of it as provided by #1 CMB. 3.1. Anni section 130. Resident agrees may owner may consider resident to have abandoned the premises if 1) the electricity or water in Resident's apartment has been disconnected either at the request of Resident or for nonpayment, and 2) Owner posts a notice in or on Resident's apartment and Resident fails to respond to such notice. within five (5) days. Owner shall have a lien of as provided by 41 Okla. St. Ann. Section 133. Owner shall have a lien on Resident's properly located in the apartment for proper charges dived by Resident,



FORWARDING ADDRESS. A written copy of each Resident's forwarding address shall be left with Owner or Owner's representative

#### DEDUCTIONS FROM TOTAL SECURITY DEPOSIT



CLEANING. The apartment, including furniture, bathrooms, and kitchen appliances, must be cleaned thoroughly. MOVE-OUT CLEANING INSTRUCTIONS (available in apartment manager's office) shall be followed. If Resident fails to clean in accordance viewing carpets, window coverings, furniture, painting walls, etc., plus any utility expenses incurred because of such cleaning, the understood by Resident that Owner has cleaned the carpets and painted the apartment in advance to Resident occupying the apartment. It is also understood by Resident that Owner will clean the carpets and paint the apartment when Resident moves out.



FIXED CLEANING CHARGE. The following minimum charge will be deducted in any event for cleaning which Owner requires to be done commercially or by Owner's employees: \$\(\frac{



OTHER DEDUCTIONS. Resident shall be liable for and appropriate charges will be deducted for any unpaid sums due under the OTHER DEDUCTIONS. Resident shall be liable for and appropriate charges will be declining on any uniparo sums due unior une lease; unpaid rent; unpaid utilities; unreimbursed service charges; damages or repairs to the apartment or its contents (beyond reasonable wear); utilities for repairs; trips to let in company impresentatives to remove Resident's telephone or TV cable services or rental items (it Resident requests same or has moved out); trips to open apartment when Resident has lost or forgotten key; key during the properties of the properti rental items (it Resident requests same or has moved out); trips to open apartment when Resident has lost or forgotten key; key duplicates; unreturned keys; insufficient light bulbs; stickers, scratches, burns, stains, or unapproved folies; removing or re-keying unauthorized locks or latches; agreed costs-of-reletting; packing, removing or storing property removed or stored pursuant to paragraph 20; removing itlegally parked vehicles; late payment and returned check charges; attempts fees, court costs, and Comper's representative's time and inconvenience, in any valid eviction proceeding against Resident; and other lawful deductions, if keys are not returned or if rent has been accelerated under paragraph 19 or if Resident is evicted, charges may be made for change of door locks and new keys. Security deposits will be first applied to non-rent items, then to unpaid rent.



If for any reason Resident is evicted, fails to complete the lease form or fails to give notice as required under paragraph 3, there will

INSPECTION UPON MOVE-OUT. Resident is urged to make an appointment with Owner's representative for move-out inspection of the apartment, using MOVE-IN and MOVE-OUT inventory and condition forms. Estimates or commitments by Owner's representative regarding amount or deductibility or repairs, damages, or charges are subject to subsequent correction, modification or disapproval by Owner before final refunding or accounting.



28. RETURN OF DEPOSIT. After lawful deductions have been made, the balance of all security deposits and an itemized accounting of any deductions will be shalled to Resident no later than 30 days after surrender except where otherwise provided by statute. For any deducations will be mailled to resident the latter than 30 bays after sufferinger except where otherwise provided by statule. For purposes of determining relinquishment of possession, damages, clean-up charges and other deductions, "surrender" shall occur on the latest of the following dates: (a) when all keys have been lumed in, (b) when move-out date has expired and all Rosident five elsewhere, or (c) when it reasonably appears that all Residents have permanently moved out.

#### MISCELLANEOUS



MULTIPLE RESIDENTS OR OCCUPANTS. Each Resident and each Resident's share of the total security deposit is jointly and severally liable for all obligations and sums due under the lease. Violation of the lease by Resident or Resident's guests or occupants shall be considered a violation by all Residents. Notice by Owner's representative to one Resident constitutes notice to occupants smar de considered a violettet by all residents. Procee by Owner's representative to one resident constitutes notice to all Residents. Entry permission or service request from any Resident, occupant, or guest shall be deemed to be from all Residents. The balance of all security deposits may be refunded in one check jointly payable to all Residents; and such joint refund check. and/or itemization of deductions may be mailed to one Resident only,



DELAY OF OCCUPANCY. If occupancy is or will be delayed because of construction or prior resident's holding over, Owner shall not be liable to Resident for such delay, and the lease shall remain in force subject to (1) abatement of rentals on a daily basis during delay, and (2) Resident's right to terminate as set forth below. Notice of such termination must be in writing. After such termination, Resident shall be entitled only to refund of deposit(s) and any rentals paid. Resident's above right of rent abatement or lease termination shall not apply if delay is due to cleaning or repairs which do not prevent occupancy by Resident.

NOTICE OF ANTICIPATED DELAY. If Owner gives written notice to any one of the Residents listed in paragraph 1 before lease commencement data and if such notice states that construction delay is anticipated and the spartment will be ready for occupancy on a specific date. Resident may terminate the lease within 7 days after any one of such Residents receives such written notice, but

NOTICE OF ACTUAL DELAY. If Owner gives written notice to any one of the Residents listed in paragraph 1 cr. or after lease NOTICE OF ACTION, DELAY, in Owner gives written house to any one of the Hesidents issted in paragraph 7 on or enter leave commencement date and if such notice states that occupancy has been delayed because of construction or a prior resident's holding over and the apartment will be mady for occupancy on a specific date. Resident may terminate the lease within 3 days after any one of such Residents receives such written notice, but not thereafter.

NEW COMMENCEMENT DATE. A readiness date given by Owner to Resident In writing shall be considered the new lease commencement date for all purposes, including the right of Resident to terminate under this paragraph if the apartment is not ready on such new commencement data. Such new commencement date may hever be moved to an earlier date except by mutual

NO NOTICE OF DELAY. It holdover or construction delay actually occurs and if Owner has not given notice of delay under one of the above paragraphs, Resident may terminate up to the date the apartment is ready for occupancy, but not thereafter.

RELEASE OF RESIDENT. Except as provided under the military clause below, Resident will not be released on grounds of voluntary or involuntary school withdrawal or transfer, voluntary or involuntary business transfer, marriage, divorce, reconciliation, loss of co-Residents, bad posith, death, voluntary enlistment in the armed services or any other reason, unless otherwise agreed in Page 4 of a CORV 102 OK 17 33 04

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paragraph 8. However, if Resident secures a replacement satisfactory to Owner's representats will be reduced by the amount of rentals actually received from such replacement, the Armod Forces on extended active duty and receives change-of-station orders to permitted the control such active duty, then Resident may terminate this lease by giving notice to Owner of shall effectively terminate the lease 30 days after the next monthly rental payment is due. Owner a copy of the official orders which warrant termination of the lease. Military permissions of the lease of the order of the ord	anenily depart the local Owner's representation	mes a member of it area, or is relice ve. Such notice	ed
RENT (NCREASES. The following shall apply unless otherwise specified in paragraph 7, periodic rent increases. Resident will receive a written 30-day notice of rent increase. No lease term.	reminiciosses shall be	e allowed during	
COPIES. Resident acknowledges receipt of a copy of this Lease Contract. A copy of Own furnished when Resident moves in, or earlier if desired. When a Statement of Unit Condit completed after Resident moves in, both Resident and Owner should retain a copy.	or wer secouth Debot	sit Keturn form i	6
PEST CONTROL. Although Cwirer will periodically read the premises for pests. Resident premises free of infestation by roaches, water bugs, rodents, moths, and other pests, and therefrom, and Owner shall not be liable or responsible for damages or injury to furnishing of the Residents or other occupants of the premises from such sources.	s, wearing apparel, or	damages personal betong	ings
INSPECTION. Owner reserves the right to make an inspection of the apartment every six reasonably doorn necessary.	months or any other tir	ne as Owner ma	∍y
SUBORDINATION. This lease shall be subject and subordinate to any mortgage that is no inat any Owner of the premises may hereafter at any time elect to place on such premises may be hereafter made on account of any such mortgage, to the full extent of the principal fees thereon. Furthermore, Resident shall on request hereafter execute any documents the accomplish such subordination of Resident's Interest in this lease, in default of which Ox attorney in fact to execute such documents in the name of Resident, and this authority is historiest and knewocable.	and to all advances a sums secured inereby at Owner's collect ma	ready made or to and interest and	that
WAIVER. Failure by Owner to exercise any option herein contained upon breach by Residence is right to exercise such option upon any further breach.	tent shall not constitute	B Waiver of	1777 N 10
SERVICE OF PROCESSIAUTHORIZED REPRESENTATIVE. Notices to Owner under this on-site manager at the apartment community's leasing office. Service of legal process ma Management Co., Inc., c/o Roy Stanley, President, 1165 Jayce Boulevard, Fayetteville, Art	s Lease Contract may y be made on Owner's kanses 72703.	be delivered to agent. Lindsey	the
COMPLETE AGREEMENT. It is agreed that heither party hereto is retying upon any oral the other party and that this Lease Contract constitutes the entire agreement between the amended or modified except by written agreement signed by Resident and Owner.		र representation a hercalter	of
SEVERABILITY. In the event any provision of this Lease Contract is declared to be invalid validity of any other provision of this Lease Contract.	l for any reason, it sha	Il not affect the	
GOVERNING LAW. This Lease Contract shall be governed by the laws of the state of Okl	ahoma.		
BINDING AGREEMENT. Resident hereby acknowledges that all terms, conditions, coverage binding upon and shall inure to the benefit of the parties herefo, jointly and severally, it	ints, agreements and r noir respective frees an	épresentations t id assigns.	terein
NO SECURITY DEPOSIT WILL BE REFUNDED UNLESS A 30-DAY W GIVEN BY RESIDENT AND RESIDENT HAS FULFILLED THE TERM	RITTEN NOTICE IS S OF THE LEASE.		
THIS IS A BINDING LEGAL DOCUMENT READ CAREFULLY BE	FORE SIGNING,		
sident Signature & Social Security No. Owner or O (All Residents must sign here)	wner's Representativ	e	
ille fug ssn: 440-02-4903 -	the lower	Not M	lacie.
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Description July May

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# EXHIBIT B

IN THE UNITED STAT FOR THE WESTERN DIS		RECEIVED NOV 1 9 2007
KEITH FUQUA, an individual; STACY FUQUA, an individual, on behalf of themselves and all others similarly situated,	) ) )	BY:
Plaintiffs,	)	
v.	) Case No. CIV-07-82	7-HE
Lindsey MANAGEMENT CO., INC. and DOES 1 through 10, inclusive,	)	
Defendants.	) )	

# DEFENDANT LINDSEY MANAGEMENT CO., INC.'S RESPONSES AND OBJECTIONS TO PLAINTIFFS' SECOND SET OF INTERROGATORIES

Defendant Lindsey Management Co., Inc. ("Lindsey") submits the following responses and objections to the Second Set of Interrogatories (the "interrogatories") submitted by plaintiffs Keith and Stacey Fuqua ("Plaintiffs").

#### GENERAL OBJECTIONS AND CONDITIONS

The following general objections and conditions qualify, and are incorporated by reference into, each and every applicable response to the interrogatories:

- 1. Lindsey objects to each instruction, definition and interrogatory to the extent it purports to impose obligations or requirements upon Lindsey beyond those imposed by the Federal Rules of Civil Procedure. Lindsey will respond to the interrogatories in accordance with applicable procedural statues and rules.
- 2. Lindsey objects to each interrogatory to the extent it seeks information revealing or constituting the work product of Lindsey's attorneys, because such information is exempt from discovery.



- 3. Lindsey objects to each interrogatory to the extent it seeks information revealing or concerning communications between Lindsey and Lindsey's attorneys or confidential communications between representatives of Lindsey and Lindsey's attorneys made for the purpose of facilitating the rendition of professional legal services to Lindsey, because such information is protected by the attorney-client privilege.
- 4. Lindsey objects to each interrogatory, which seeks to obtain information containing or relating to trade secrets or other confidential proprietary information of Lindsey without an appropriate protective order.
- 5. Lindsey objects to all definitions, instructions and interrogatories that incorporate factual allegations or legal conclusions that are disputed by Lindsey.
- 6. The responses made to the interrogatories in no way waive: (a) any objections by Lindsey as to the competency, relevancy, materiality, privilege or admissibility of such responses or related documents or to the subject matter thereof; (b) Lindsey's right to object to the use of such responses or any related documents, or to the subject matter thereof, in any proceeding, including the trial of this or any other action; or (c) Lindsey's right to object to any other document request or interrogatory or to any request for further responses to these interrogatories.
- 7. Lindsey reserves the right to supplement and/or amend these objections and responses after further investigation and discovery.

#### OBJECTIONS AND RESPONSES TO SECOND SET OF INTERROGATORIES

INTERROGATORY NO. 1: Please state all facts upon which you base your statement in Paragraph 1 of Defendant's Answer that Lindsey Management Co., Inc. did not enter into ""residential lease agreements or 'Apartment Lease Contract' with Plaintiffs or any putative class members in any state."

ANSWER TO INTERROGATORY NO. 1: Plaintiffs and the putative class members allegedly reside or did reside at residential apartment properties managed by Lindsey in the States of Alabama, Arkansas, Kansas, Mississippi, Missouri, Nebraska, Oklahoma, Tennessee and Texas. While Lindsey does manage certain residential apartment properties in the above-referenced states, the properties it manages are owned by other entities. The residential lease agreements for the properties managed by Lindsey in the above-referenced States are entered into by the lessees and the persons and/or entities that own the properties in question. For example, the parties to the residential lease agreement attached to Plaintiffs' Petition are the Plaintiffs and The Greens at Moore, a Limited Partnership. Lindsey is not a party to any residential lease agreement at any of the residential apartment properties it manages in the above-referenced States.

INTERROGATORY NO. 2: Please identify (by name, title, address, and telephone number) all persons with knowledge of the facts upon which you base your statement in Paragraph 1 of Defendant's Answer that Lindsey Management Co., did not enter into ""residential lease agreements or 'Apartment Lease Contract' with Plaintiffs or any putative class member in any state."

as being overly broad and unduly burdensome in requesting the identification of "all persons with knowledge" of the fact in question. There are literally thousands of lessees at the residential apartment properties managed by Lindsey and dozens of Lindsey employees who would have knowledge of these facts. Subject to this objection, Lindsey President of Corporate Operations and Chief Financial Officer D. Scott Rogerson, % of Lindsey Management Co., Inc., is knowledgeable of the facts upon which Lindsay bases its statement in Paragraph 1 of

Defendant's Answer that Lindsey did not enter into "residential lease agreements or 'Apartment Lease Contract' with Plaintiffs or any putative class member in any state."

INTERROGATORY NO. 3: Please identify (by title, date, description and whereabouts) all documents which support your statement in Paragraph 1 of Defendant's Answer that Lindsey Management Co., Inc. did not enter into "residential lease agreements or 'Apartment Lease Contract' with Plaintiffs or any putative class member in any state."

ANSWER TO INTERROGATORY NO. 3: Lindsey objects to this interrogatory as being overly broad and unduly burdensome in requesting the identification of "all documents" supporting such statement. As referenced above, there are over twenty-five thousand residential lease agreements that would support Lindsey's contention. Lindsey objects to identifying or producing all such agreements on the basis that it would be overly burdensome. However, subject to a mutually agreeable protective order and without waiver of either Defendant's objections or Plaintiffs pursuing a subsequent request for copies of additional lease agreements and other documents, the parties have agreed that Defendant will produce ten (10) copies of lease agreements, executed before May 1, 2007, from each of nineteen (19) selected residential apartment properties managed by Lindsey, eight (8) properties of which are located in Arkansas, four (4) properties of which are located in Oklahoma, and one (1) property located in the states of Missouri, Texas, Tennessee, Mississippi, Kansas, Nebraska and Alabama, for a total of 190 lease agreements. For each property in each state, the last name(s) of the ten (10) lessees will begin with the letter "B". If there are no lessees or insufficient lessees at a property whose last names begin with "B", then lessees with last names beginning with the letter "C" will also be produced, and continuing alphabetically thereafter until ten (10) lease agreements are collected and produced for each of the nineteen properties.

INTERROGATORY NO. 4: Please describe your involvement with the "LMC apartment communities" (as that term was understood by you in preparing Defendant's Answer).

ANSWER TO INTERROGATORY NO. 4: Lindsey objects to this interrogatory as being vague and ambiguous for failing to define the type of involvement to be described. Subject to its objection, Lindsey states that it manages over one hundred residential apartment properties on behalf of nearly one hundred entities that own the properties. The Management Agreements set out in detail the duties of Lindsey with regard to the management of each property. Subject to a mutually agreeable protective order, Lindsey will produce the Management Agreements for the residential apartment properties.

INTERROGATORY NO. 5. Please identify (by name, title, address, and telephone number) all persons employed by, contracted by, or otherwise affiliated with you who were involved in the activities described in response to Interrogatory No. 4 herein.

ANSWER TO INTERROGATORY NO. 5: Lindsey objects to this interrogatory as being overly broad and unduly burdensome in requesting the identification of "all persons" involved with such activities. Lindsey further objects to this interrogatory as being vague and ambiguous in defining the persons for whom identification is sought. There are over 150 Lindsey employees who are responsible for carrying out Lindsey's duties under its Management Agreements with the entities that own the properties. Lindsey President of Corporate Operations and Chief Financial Officer D. Scott Rogerson is generally knowledgeable of the persons employed by, contracted by, or otherwise affiliated with Lindsey who perform services under the Management Agreements.

INTERROGATORY NO. 6: Please describe your role in preparing, revising, and/or otherwise drafting the "Apartment Lease Contracts" (as that term was understood by you in preparing Defendant's Answer).

ANSWER TO INTERROGATORY NO. 6: Lindsey employees assisted legal counsel in drafting and revising the lease agreements used at the residential apartment properties managed by Lindsey.

INTERROGATORY NO. 7: Please identify (by name, address, and telephone number) all persons and/or entities with an ownership interest in the "LMC apartment communities" (as that term was understood by you in preparing Defendant's Answer).

ANSWER TO INTERROGATORY NO. 7: Pursuant to Fed. R. Civ. P. 33(d), Lindsey will produce, upon entry of an agreeable protective order, a list of the owners of the residential apartment properties currently managed by Lindsey.

INTERROGATORY NO. 8: Please describe your relationship to each of the persons and/or entities identified in response to Interrogatory No. 7 herein.

ANSWER TO INTERROGATORY NO. 8: Lindsey is an independent contractor who manages residential apartment properties under a Management Agreement for the owners described in Answer to Interrogatory No. 7.

INTERROGATORY NO. 9: Please identify (by title, date, description and whereabouts) all documents which constitute, show or reflect your involvement with the "LMC apartment communities" (as that term was understood by you in preparing Defendant's Answer).

ANSWER TO INTERROGATORY NO. 9: Lindsey objects to this interrogatory as being overly broad and unduly burdensome in requesting "all documents which constitute, show or reflect" such involvement. Lindsey further objects to this request as being vague and

ambiguous by failing to define the type of involvement relevant to this interrogatory or a relevant time period. Subject to such objections, Lindsey identifies the management agreements between Lindsey and the owners of the apartment properties managed by Lindsey in the States of Alabama, Arkansas, Kansas, Mississippi, Missouri, Nebraska, Oklahoma, Tennessee and Texas. Pursuant to Fed. R. Civ. P. 33(d), Lindsey will produce, upon entry of an agreeable protective order, copies of such management agreements.

INTERROGATORY NO. 10: Within Defendant's Notice of Removal, you contend that Lindsey Management Co., Inc. collects over one million dollars (\$1,000,000) per year in liquidated damages "from persons who have entered into residential leases at properties managed by Lindsey Management Co., Inc. in the States of Arkansas, Kansas, Mississippi, Missouri, Oklahoma, Tennessee and Texas." See Affidavit of D. Scott Rogerson at ¶ 3, attached to Notice of Removal as Exhibit 1. Please identify all included properties.

ANSWER TO INTERROGATORY NO. 10: Pursuant to Fed. R. Civ. P. 33(d), Lindsey will produce, upon entry of an agreeable protective order, a list of the residential apartment properties.

INTERROGATORY NO. 11: Within Defendant's Notice of Removal, you contend that Lindsey Management Co., Inc. collects over one million dollars (\$1,000,000) per year in liquidated damages "from persons who have entered into residential leases at properties managed by Lindsey Management Co., Inc. in the States of Arkansas, Kansas, Mississippi, Missouri, Oklahoma, Tennessee and Texas. See Affidavit of D. Scott Rogerson at ¶ 3, attached to Notice of Removal as Exhibit 1. For each of the last five years, please state how much of this money is turned over to another person and/or entity and identify all such person and/or entities.

ANSWER TO INTERROGATORY NO. 11: Pursuant to the Management Agreement with each owner of the apartment properties managed by Lindsey, Lindsey pays all revenues generated from each property to the respective owners, subject to deductions provided for in the Management Agreement.

<u>INTERROGATORY NO. 12</u>: Please state all facts supporting your fourth affirmative defense.

ANSWER TO INTERROGATORY NO. 12: See Response to Interrogatory No. 1.

INTERROGATORY NO. 13: Please identify (by name, title, address, and telephone number) all persons with knowledge of the facts supporting your fourth affirmative defense.

ANSWER TO INTERROGATORY NO. 13: See Response to Interrogatory No. 2.

INTERROGATORY NO. 14: Please identify (by title, date, description and whereabouts) all documents which constitute, show or reflect the facts supporting your fourth

ANSWER TO INTERROGATORY NO. 14: See Response to Interrogatory No. 3.

affirmative defense.

Respectfully submitted,

Sidney/G. Dunagan, OBA #2524

Amy M. Stipe, OBA #18361

Jeremy K. Webb, OBA #21057

GABLE GOTWALS

211 North Robinson, 15<sup>th</sup> Floor

Oklahoma City, Oklahoma 73102

Telephone: (405) 235-5500 Facsimile: (405) 235-2875

sdunagan@gablelaw.com

astipe@gablelaw.com

jwebb@gablelaw.com

Attorneys for the Defendant Lindsey Management Co., Inc.

#### VERIFICATION

D. Scott Rogerson, being first duly sworn, deposes and states that he is the President of Corporate Operations and Chief Financial Officer for Defendant Lindsey Management Co., Inc., that he verifies the foregoing for and on behalf of the Defendant, and is duly authorized to do so; that the facts and matters set forth herein have been assembled by authorized employees and counsel of Defendant; and that deponent believes that the facts and matters set forth herein are true and correct.

D. Scott Rogerson	
SUBSCRIBED AND SWORN TO before me this day of November, 2007.	·

#### **CERTIFICATE OF MAILING**

I hereby certify that on this 15th day of November, 2007, a true and correct copy of the foregoing document was mailed, postage prepaid thereon, to:

Terry W. West Bradley C. West Gregg W. Luther The West Law Firm 124 West Highland – P. O. Box 698 Shawnee, Oklahoma 74802-0698

and

Brian R. Strange, Calif. Bar # 103252 12100 Wilshire Blvd., Suite 1900 Los Angeles, California 90025 Attorneys for the Plaintiffs

Sidney G. Dunagan

jwebb@gablelaw.com

Attorneys for the Defendant Lindsey Management Co., Inc.

#### **VERIFICATION**

D. Scott Rogerson, being first duly sworn, deposes and states that he is the President of Corporate Operations and Chief Financial Officer for Defendant Lindsey Management Co., Inc., that he verifies the foregoing for and on behalf of the Defendant, and is duly authorized to do so; that the facts and matters set forth herein have been assembled by authorized employees and coursel of Defendant; and that deponent believes that the facts and matters set forth herein are true and correct.

D. Scott Rogerson

SUBSCRIBED AND SWORN TO before me this 14th day of November, 2007.

OFFICIAL SEAL
KAREN MCCOY
NOTARY PUBLIC ARKANSAS
WASHINGTON COUNTY

WASHINGTON COUNTY
MY COMM FAPIRES STONE CORRESTIFICATE OF MAILING

I hereby certify that on this 14th day of November, 2007, a true and correct copy of the foregoing document was mailed, postage prepaid thereon, to:

Terry W. West
Bradley C. West
Gregg W. Luther
The West Law Firm
124 West Highland – P. O. Box 698
Shawnee, Oklahoma 74802-0698

Attorneys for the Plaintiffs

Sidney G. Dunagan

# EXHIBIT C

#### MANAGEMENT AGREEMENT

# THE GREENS AT MOORE APARTMENTS MOORE, OKLAHOMA

This Agreement is made this 31st day of January, 2001, between **The Greens at Moore, a Limited Partnership**, organized and existing under the laws of the State of Arkansas, hereinafter "Partnership," and **Lindsey Management Co., Inc., an Arkansas corporation**, hereinafter "Management Agent," to be effective as of the 1st of February, 2001, hereof, hereinafter called the "Effective Date," and in consideration of the mutual covenants and agreements contained herein, the parties hereby agree as follows:

### ARTICLE I EXCLUSIVE AGENCY

- (A) <u>APPOINTMENT.</u> The Partnership hereby appoints Management Agent exclusively to lease, operate, and manage the property known as The Greens at Moore Apartments, consisting of 360 apartment units, located at Moore, Oklahoma (hereinafter "Property"). Management Agent hereby accepts the appointment.
- (B) TERM. The term of this Agreement shall commence with the Effective Date and end on the 31st day of January, 2026, hereinafter referred to as "the Initial Term," and this agreement shall thereafter be automatically renewed for annual periods, hereinafter referred to as "Renewal Periods." The Partnership agrees that the only reason for not renewing this Agreement shall be the occurrence of one or more of the events set forth in Article I(C) hereof.

#### (C) <u>TERMINATION</u>.

- (1) The Partnership may terminate this Agreement in the event:
  - (i) Management Agent is in default in the due observance or performance of any material provision of Article II of this Agreement and such default shall have continued for a period of ninety (90) days after written notice has been given to Management Agent specifying such default and demanding that the same be cured.
  - (ii) Management Agent willfully violates any law, regulation or order applicable to the Partnership which has a material adverse financial impact on the Partnership or the Property (provided, however, if such violation is of a

nature which can be cured by Management Agent within ninety (90) days, such violation will not constitute a right of termination).

- (iii) Management Agent becomes bankrupt.
- (iv) Management Agent commits an act of fraud, deceit, gross negligence or waste, wilful misconduct or a wrongful taking or property from the Partnership.
- (v) Management Agent's performance is not in keeping with professional standards in the industry.
- Other disposition of its interest in the property to any person or entity which is not an affiliate of any Partner of the Partnership, if such sale or other disposition results in the complete satisfaction of (a) any mortgage loan for which the Management Agent or any affiliate of the Management Agent or J.E. Lindsey Family Limited Partnership, Lindsey Investments, a Limited Partnership, Rutledge Properties, a Limited Partnership, Walter L. Harber Family Limited Partnership, Roy E. Stanley Family Limited Partnership, Philip Baer Investments, a Limited Partnership, or James E. Lindsey, are personally liable on or guarantee; and (b) any other Promissory Note or other obligation, other than this Agreement, issued by the Partnership to Management Agent or an affiliate of the Management Agent or James E. Lindsey.
- On the Effective Date of termination, the Management Agent shall turn over to Partnership (i) all books and records relating to the Property (copies of which may be made and retained by the Management Agent at Management Agent's cost and expense); (ii) cash in the amount equal to all security deposits of tenants of the property; (iii) an assignment of any escrow accounts in form approved by the depositors or holder thereof; (iv) executed originals of all leases related to the Property, all extra promotional brochures, forms, posters, signs, and stationery, and all engraved plates and artwork used or remaining in Management Agent's possession, together with such authorizations and letters of direction addressed to tenants, occupants, suppliers, employees, banks and other parties as the Partnership may reasonably require, and Management Agent shall cooperate with Partnership in the transfer of management responsibilities to Partnership or its designee.
- (4) The termination of this Agreement (whether by expiration of time or by either party prior thereto) shall not prejudice the rights of either party against the other for any default or breach of this Agreement. The rights and remedies herein granted are cumulative and in addition to the rights and remedies provided by law; the exercise by either party of one or more rights or remedies shall not impair its right to exercise any other right or remedy.

#### ARTICLE II MANAGEMENT AGENT'S DUTIES

- (A) <u>MANAGEMENT AGENT'S DUTIES.</u> Management Agent hereby accepts the following responsibilities, authority and duties relative to the Property, and agrees:
  - (1) <u>Leasing of Property.</u> To use due diligence and best efforts in the management of the Property for the period and upon the terms herein provided, and to agree to furnish the services of its organization for the leasing, operating and managing of the Property.
  - (2) Budget. To prepare an annual budget in connection with the operation of the Property for each succeeding fiscal year of the Partnership, and shall deliver the same to the Partnership sixty (60) days prior to the end of the current fiscal year. Such budget shall not be adopted without consent of the general partner of the Partnership which consent shall not be unreasonably withheld. The Management Agent shall not make an expenditure of funds or commit to make any such expenditure other than in response to an unavoidable event, except as provided for the annual budget so approved by the general partner of the Partnership without the prior consent of the general partner.
  - Books and Records. To maintain in a manner customary and consistent with (3)generally accepted accounting principals, books, and records of all receipts and disbursements incurred in the operation and management of the Property. Management Agent shall give specific answers to questions upon which information is desired from time to time relative to the income, assets, liabilities, contracts, operations, and conditions of the Property. To deliver to the Partnership, on or before twenty-five (25) days following the end of each calendar month, (i) an unaudited income and expense statement showing the results of the operation of the Property for the preceding calendar month and fiscal year to date; and (ii) cash balances for reserves and operating accounts as of the last day of such month. To deliver to the Partnership within thirty (30) days after the end of each fiscal quarter (the "Quarterly Reports"), an income and expense statement as of the end of such quarter and the results of the operation of the Property during such preceding quarter. To deliver to the Partnership within forty-five (45) days after the end of each fiscal year, (the "Annual Report"), an income and expense statement as of the end of such fiscal year and the results of the operation of the Property during such preceding fiscal year. Management Agent shall cooperate with the Partnership's accountants in the preparation of audited financial statements. All books of account and business records pertinent to the management of the Property shall be open to inspection by the Partnership or its representative at all reasonable times for the purpose of audit or duplication. All books and records relative to the Property shall be and remain the books and records of the Management Agent during the term of this Agreement, and

- shall be released to the Partnership upon the expiration or termination of this Agreement, subject to Management Agent's right to duplicate and retain the same until all sums due Management Agent are paid.
- (4) Bank Accounts. To establish and maintain in the name of the General Partner in a commercial bank account acceptable to the Management Agent a separate account for the deposit of all revenues of the Property. To deposit all receipts collected for the Partnership (less any sums properly deducted or otherwise provided for herein) in said account. All deposits shall not be commingled with the funds of any other person and shall not be used except for the business of the Property. It is agreed that Management Agent shall have the authority, singly, and without the joiner of the Partnership or the General Partner, to draw on said account, for any payments that Management Agent must make to discharge the duties, responsibilities, liabilities, or obligations incurred pursuant to this Agreement, and expressly for the payment of the fee due Management Agent. All payments shall be subject to the limitations of this Agreement. Notwithstanding anything contained herein to the contrary, Management Agent shall not be responsible for, or liable in the event of, the bankruptcy or the failure of the depository bank.
- (5) Independent Contractor. Management Agent shall be deemed to be an Independent Contractor. Nothing contained in this Agreement shall be regarded as creating any relationship, employer-employee, joint venturer, partner, shareholder, or the like between the parties other than as set forth in this Agreement.
- (6) Loans. To use due diligence and best efforts to comply with all the terms and provisions of the mortgage loan to the Partnership which is secured by the Property and any loan documents related thereto.

## ARTICLE III MANAGEMENT AGENT'S AUTHORITY

The Partnership hereby grants to the Management Agent the following authorities and powers and agrees to assume the expenses in connection therewith, to-wit:

- (A) <u>LEASING</u>, Where applicable, to advertise the availability of the Property or any part thereof for lease; and to display "for lease" signs thereon; to organize, manage, supervise, and conduct all leasing operations; in the ordinary course of business to sign, renew, extend and/or cancel leases or rental agreements for the Property, or any part thereof; to screen and qualify and to set such standards for the screening and qualifying of all leases.
- (B) <u>RENTAL COLLECTIONS</u>. To collect rents and all other revenues due or to become due the Partnership and to give receipts therefor; to collect tenant's security deposits and deposit same in a bank account and to comply with applicable state and local laws concerning the

Partnership's responsibility for security deposits and interest thereon, if any; in the ordinary course of business to terminate tenancies of all types and to sign and serve in the name of the Partnership such notices as are appropriate; to institute and prosecute all legal actions; to evict lessees and to recover possession of the Property or any part thereof; to sue for in the name of the Partnership or the Management Agent, and recover such rents and other sums due; and when expedient, to settle, compromise, and release such actions or suits or reinstate such tenancies. Notwithstanding anything contained to the contrary, any lease executed for the Partnership by Management Agent shall not exceed twelve (12) months, unless prior approval is obtained from the general partner.

- (C) <u>REPAIRS</u>. To make or cause to be made all necessary repairs and alterations and to purchase required supplies and materials to the extent funds are available from the revenues of the Property, and to pay all bills, accounts and indebtedness relative thereto. Management Agent agrees to secure the prior approval of the general partner on all expenditures in excess of \$5,000.00 for any one item, except monthly or recurring operating charges and/or emergency repairs in excess of the maximum, if, in the opinion of the Management Agent, such repairs are necessary to protect and preserve the Property from damage or to maintain the services to the lessees as called for in their leases.
- (D) EMPLOYEES AND INDEPENDENT CONTRACTORS. To hire, supervise, direct and discharge all employees and/or independent contractors required for the operation, management and maintenance of the Property, and to make all payments for the same from the Partnership's funds. All employees shall be deemed to be employees of the Partnership, except administrative backup personnel of the Management Agent. Reports of withholding, social security, and all other payroll taxes shall be made by the Management Agent under Partnership's United States Federal Income Tax Identification Number. The Partnership agrees to reimburse Management Agent for any expenses it might incur or advance in connection with employees of the Partnership, including workers' compensation insurance coverage. Management Agent shall not, without the prior consent of the Partnership, enter into any contract involving a term of more than one (1) year, without prior approval of the operating general partner.
- SERVICE CONTRACT. To make contracts for the supply of electricity, gas, fuel, water, sanitary sewer, telephone, janitorial services, trash removal and such other services as the Management Agent shall deem advisable, but any such contract requiring an annual payment in excess of \$7,500.00 must be authorized in writing by the Partnership; it is agreed that the Partnership shall assume the obligation of any contract or agreement so entered into at the termination of this Agreement. Management Agent is authorized on behalf of the Partnership to open various trade accounts in the name of the Partnership or in the name of the Property, and to negotiate and enter into contracts and agreements with suppliers, vendors, merchants, repairmen, professionals, contractors, subcontractors, and the like, in the name of the Partnership or the Property and to disclose to said supplier, vendors, merchants, repairmen, professional, contractors, subcontractors, and the like, that the

Management Agent is acting on behalf of the Property and/or the Partnership, but any such contract requiring the annual payment in excess of \$7,500.00 must be authorized in writing by the general partner of the Partnership. All agreements, contracts, accounts, and other debts, open or incurred for the benefit of the Property and the Partnership, shall remain the agreement, account, debt and contract of the Property and the Partnership, even after the termination of this Agreement, and the Partnership shall be, and does hereby, assume complete responsibility for such obligation incurred on its behalf. All contracts for repairs, capital improvements, goods and services shall be awarded at no higher than prevailing market rates. For (a) amounts exceeding either \$7,500.00 or (b) \$15,000.00 aggregately in any 90-day period all such contracts shall, unless otherwise required or permitted by the Partnership, be awarded on the basis of competitive bidding, solicited in the following manner:

- (1) A minimum of three (3) bids shall be required.
- (2) Bid quotes must be uniform in nature.
- (3) Management Agent may accept a low bid without prior written approval from the Partnership, if the expenditure is for a budget approved item and will not result in an excess of annual budgeted accounting category of the applicable approved budget. Otherwise, written approval of a bid shall be required by the Partnership before acceptance.
- (4) Management Agent shall not accept other than the lowest bid without the prior written approval of the Partnership. If Management Agent advises acceptance of other than the lowest bidder, Management Agent shall adequately support, in writing, its recommendations to the Partnership.
- (5) The Partnership shall be free to accept or reject any and all bids.
- (F) LOANS, TAXES AND INSURANCE. Management Agent is hereby instructed and authorized to service all loans and mortgages on the Property, pay all applicable real estate and personal property taxes, special assessments and other changes affecting the Property, licenses, fees; to furnish proof of payment of all real estate and personal property taxes, including special assessments and other charges, to the Partnership and its mortgagee; to maintain payroll records and to pay payroll taxes and to make all necessary returns required by law; and, to pay from the Partnership's funds such insurance premiums as requested by the Partnership. Notwithstanding anything contained herein to the contrary, the ultimate responsibility for securing insurance shall be the Partnership's. Management Agent shall use its best efforts in assisting the Partnership in securing any appropriate insurance. When requested by the Partnership, Management Agent shall, without charge, except for out-of-pocket expenses (which may include an appropriate tax consultant), render advise and assistance to the Partnership in the negotiation and prosecution of all claims for the

abatement of property taxes and other taxes affecting the Property, for awards for any taking by eminent domain affecting the Property, and all other government regulations affecting the Property which the Partnership elects to contest.

(G) <u>APPROVALS FROM THE PARTNERSHIP.</u> Management Agent shall be deemed to have obtained the approval of the Partnership for the purposes of this Article III upon receiving approval by the general partner of the Partnership.

#### ARTICLE IV OBLIGATION OF PARTNERSHIP

(A) <u>EQUAL OPPORTUNITY/FAIR HOUSING.</u> The Partnership acknowledges that Management Agent is an Equal Opportunity Employer and that Management Agent must also abide by all Fair Housing laws, statutes, ordinances, and regulations. The Partnership shall not request or require Management Agent to do anything contrary to or in contravention of an Equal Opportunity or Fair Housing law, statute, ordinance or regulation. The Partnership specifically acknowledges and agrees that the indemnity provisions as stated herein shall include any and all employment and/or discrimination claims that may be asserted against Management Agent.

#### (B) <u>INSURANCE</u>.

- (1) The Partnership, at the Partnership's expense, shall at all times during the term of this Agreement, carry and maintain the following insurance coverage for the protection of the Partnership and Management Agent. The Partnership shall furnish Management Agent with certificates of duplicates of said insurance policy or policies, which policies shall be issued by companies qualified and authorized to do business within the State of Arkansas.
  - General Comprehensive Liability Coverage. The Partnership shall, at the Partnership's expense, purchase and maintain at all times during the term of this Agreement a general comprehensive liability policy covering general liability risks and exposures, including, but not limited to, the Property and its operations, blanket contractual, personal injury, operations, maintenance, and use of owned, non-owned, or hired automobiles. The limits of which shall be at least \$500,000.00 per person and \$1,000,000.00 per occurrence for bodily injury, personal injury, and property damage. Such policies shall include Management Agent as an additional insured.
  - (ii) Fire Insurance. The Partnership, at the Partnership's expense, at all times during the term of this Agreement, shall carry fire, extended coverage, vandalism and malicious mischief insurance in such amounts as it deems appropriate, subject to the approval of the Lender. The Partnership shall

assume responsibility for the replacement and renewal of all such policies, shall make such changes as the Partnership deems appropriate (subject to the approval of the Lender) in connection therewith, and shall supervise the adjustment of any and all losses or claims under such coverage. Management Agent shall have no obligation to insure the property or any of its operations for any loss, claim, action or secure any kind of fire or extended coverage.

- (2) Management Agent, at Management Agent's expense, shall at all times, during the term of this Agreement, carry and maintain the following insurance coverage for the protection of the Management Agent:
  - (i) Workers' Compensation. Coverage as required by statute.

Management Agent shall furnish the Partnership with certificates or duplicates of said insurance policy or policies, which policies shall be issued by companies qualified and authorized to do business within the State of Arkansas.

#### ARTICLE V INDEMNITY

- (A) INDEMNITIES. The Partnership shall indemnify and hold Management Agent harmless from and against all claims, damages and costs (including reasonable attorneys' fees) arising out of or in connection with the management of the Property and the operation thereof, except for the acts of Management Agent taken outside of the scope of its employment and acts of malfeasance, gross negligence or willful misconduct of Management Agent (collectively, "Unauthorized Acts"). Management Agent shall indemnify and hold the Partnership harmless from and against all claims, damages and costs (including reasonable attorneys' fees) arising out of or in connection with Unauthorized Acts. Each party shall endeavor to procure from its insurers waivers of subrogation with respect to claims against the other party under policies in which the other party is not a named insured, provided that such waiver is obtainable without payment of any additional premium.
- (B) Management Agent agrees to promptly inform the Partnership of any claims, fines, suits, proceedings, actions or causes of action of which the Management Agent has notice. It is expressly understood and agreed that the indemnification provisions of Article V shall survive the expiration or termination of this Agreement.

#### ARTICLE VI COMPENSATION

(A) MANAGEMENT FEF. In consideration for the services to be rendered to the Partnership by the Management Agent under this Agreement, the Partnership agrees to pay the Management Agent a management fee on an annual basis in an amount equal to 6% of the

gross receipts from the Apartment Complex. The management fee shall be deducted by the Management Agent on a monthly basis. In any calendar year in which ATRS Properties, LLC, a Limited Partner in The Greens at Moore, a Limited Partnership, does not receive its Guaranteed Priority Distribution (GPD) as provided in the Agreement of Limited Partnership, the management fee paid to Management Agent shall be reduced to the product of 6% and a fraction, the numerator of which is equal to ATRS annualized return for that calendar year and the denominator of which is the GPD. However, the Management Agent's fee shall never fall below 4.5% in any calendar year. The difference between the 6% management fee and the fee paid to Management Agent will accrue if not paid in any given year. Gross revenue for the purpose of the management fee computation will include all income (including fixed and percentage rental and expense reimbursements) except: (1) security deposits unless and not until such deposits are applied as rental income under termination of a lease, (2) rents paid in advance of the date until the month in which such payments are to apply as rental income, (3) sales, finance, refinance, condemnation or insurance proceeds, (4) re-billing of utilities, (5) tenant reimbursement, (6) any payment of any money by a tenant to Owner or Manager in consideration for or in conjunction with the termination, cancellation, expiration, renewal, extension, or modification of such tenant's leases, (7) monies collected for capital items which are paid for by tenants, (8) interest income, and (9) fees paid to the General Partner and Principals by the Partnership.

(B) PROHIBITIONS ON COMPENSATION. All rebates, discounts or commissions collected by the Management Agent or credited to Management Agent's use, which relate to the purchasing of supplies or the rendering of services to the Property, shall be fully disclosed to the Partnership and that part of any rebate, discount or commission that is allocated to the purchasing of supplies or the rendering of services for the Property, shall be credited to the Partnership's account.

## ARTICLE VII COMPLIANCE WITH LAWS, LICENSES AND PERMITS

- (A) Management Agent shall be responsible for full compliance with state and municipal laws, ordinances, regulations and orders relative to the leasing, use, operation, repair, and maintenance of the Property and with the rules, regulations, and orders of the local Board of Fire Underwriters or other similar bodies. Subject to the other terms and provisions of this Agreement, Management Agent shall promptly remedy any violation of any such law, ordinance, rule, regulation, or order which comes to its attention.
- (B) Management Agent shall apply for, obtain and maintain, in the name and at the expense of the Partnership, all licenses and permits (including any deposits and bonds) required of the Partnership or Management Agent in connection with the management and operation of the Property. The Partnership agrees to execute and deliver any and all applications and other documents and to otherwise cooperate to the fullest extent with Management Agent in applying for, obtaining, and maintaining such licenses and permits.

### ARTICLE VIII NOTICES

(A) All notices, demands, request or other communications, except as otherwise stated in Article III(G), which may be or are required to be given, served or sent by either party to the other, shall be in writing and delivered personally or by Certified Mail, Return Receipt Requested, with postage prepaid at:

#### Partnership:

The Greens at Moore, A Limited Partnership Attn: James E. Lindsey 1165 Joyce Boulevard Fayetteville, Arkansas 72703

#### Management Agent:

Lindsey Management Co., Inc. Attn: Roy E. Stanley P.O. Box 13000 Fayetteville, Arkansas 72703

A party may change the name or address for the giving of notice provided above by written notice to the other party.

### ARTICLE IX MISCELLANEOUS

- (A) ARKANSAS LAW. This Agreement shall be construed under and in accordance with the laws of the State of Arkansas. All monies or sums due Management Agent shall be due and payable to Management Agent at its office in Fayetteville, Arkansas.
- (B) <u>PARTIES BOUND</u>. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns.
- (C) <u>LEGAL CONSTRUCTION AND SEVERABILITY</u>. In case any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable, in any respect, such invalidity, illegality or unenforceability, shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

- (D) <u>PRIOR AGREEMENTS SUPERSEDED.</u> This Agreement contains the sole and only agreement of the parties hereto, and it supersedes any prior understandings or agreements, whether written or oral, between the parties respecting the within subject matter.
- (E) <u>ATTORNEYS' FEES</u>. If any action at law or in equity, including an action for declaratory judgment, is brought to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees from the other party, which fees may be set by the Court in the trial of such action or may be enforced in a separate action brought for that purpose and which fees shall be in addition to any other relief which may be awarded.
- (F) <u>COUNTERPARTS.</u> This Agreement and all other copies of this Agreement, insofar as they relate to the rights, duties and remedies of the parties, shall be deemed to be one Agreement. This Agreement may be executed concurrently in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- ADDITIONAL REPRESENTATIONS AND AGREEMENTS OF MANAGEMENT AGENT. Management Agent represents and warrants that its controlling shareholder is James E. Lindsey and, that upon the death of James E. Lindsey, controlling interest in the Management Agent shall thereafter be vested in the J.E. Lindsey Family Limited Partnership, for a period or term which will end no sooner than the term of this Agreement. Management Agent further represents that it presently employs John David Lindsey and James Earl "Lyndy" Lindsey (Employees). Management Agent agrees that it will not cause the employment of all of the said Employees to be terminated without the prior written consent of the Partnership.

EXECUTED this 315 day of January, 2001.

#### PARTNERSHIP:

THE GREENS AT MOORE, A LIMITED PARTNERSHIP

BY: THE GREENS AT MOORE MANAGEMENT COMPANY, INC.,

General Partner

By:

James E. Lindsey, President

MANAGEMENT AGENT:

LINDSEY MANAGEMENT CO., INC.

BY: Dry Danley Roy E. Stanley, President

# EXHIBIT D

## IN THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF OKLAHOMA

(1) KEITH FUQUA, an individual; (2) STACEY FUQUA, an individual, on behalf of themselves and all others similarly situated,	) ) )	
Plaintiffs	)	Case No.
VS.	)	Cleveland County District Court
(1) LINDSEY MANAGEMENT CO., INC., and (2) – (10) DOES 1 THROUGH 10, inclusive	)	Case No. CJ-2007-1162-L
Defendants.	)	

#### AFFIDAVIT OF D. SCOTT ROGERSON

- I, D. Scott Rogerson, of lawful age, being first duly sworn, do depose and state as follows:
- I am President of Corporate Operations and Chief Financial Officer for Lindsey Management Co., Inc., and I have personal knowledge about the matters testified to herein. I make this affidavit in support of Lindsey Management Co., Inc.'s Notice of Removal in the above referenced matter.
- 2. At the time of the filing of the above referenced action and at the present time, Lindsey Management Co., Inc. was and is a corporation organized under the laws of the State of Arkansas with its principal place of business in Fayetteville, Arkansas.
- 3. Over one million dollars (\$1,000,000) in liquidated damages are collected on an annual basis from persons who have entered into residential leases at properties managed by Lindsey Management Co., Inc. in the States of Arkansas, Kansas, Mississippi, Missouri, Oklahoma, Tennessee and Texas. Such liquidated damages are collected pursuant to the

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liquidated damages provisions complained of in Plaintiffs' Petition in the above referenced matter.

- 4. Since 2003, in excess of five million dollars (\$5,000,000) in liquidated damages have been collected pursuant to the liquidated damages provisions complained of in Plaintiffs' Petition in the above referenced matter from residents of properties managed by Lindsey Management Co., Inc. in the States of Arkansas, Kansas, Mississippi, Missouri, Oklahoma, Tennessee and Texas.
- 5. Oklahoma residents account for less than one-third of the "persons who have entered into residential lease agreements or 'Apartment Lease Contracts'" for properties managed by Lindsey Management Co., Inc. in the states of Alabama, Arkansas, Kansas, Mississippi, Missouri, Nebraska, Oklahoma, Tennessee and Texas.
- 6. There are in excess of one-hundred (100) "persons who have entered into residential lease agreements or 'Apartment Lease Contracts'" for properties managed by Lindsey Management Co., Inc. in the states of Alabama, Arkansas, Kansas, Mississippi, Missouri, Nebraska, Oklahoma, Tennessee and Texas.

I declare under penalty of perjury that the foregoing is true and correct.

Further affiant sayeth not.

D. Scott Rogerson

Subscribed and sworn to before me this 25 day of July, 2007.

My Commission Expires:

6-01-12

OFFICIAL SEAL KAREN MCCOY NOTARY PUBLIC-ARKANSAS WASHINGTON COUNTY MY COMM. EXPIRES 6/01/2012

5143486;

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